Investment required for Public Sector

2903. SHRIMATI JAYAPRADA NAHATA : Will the Minister of TEXTILES be pleased to state :

(a) whether it is a fact that an investment of Rs. 72,000 crores is required for textile sector to gain a global market share of 6 per cent in garments, as per study conducted by Roland Berger, an International Textile Consulting Organization;

(b) if so, the details thereof ;

(c) whether Government have since finalized any programme in this regard ;

(d) if so, the details thereof and by when it is likely to be implemented?

THE MINISTER OF STATE IN THE MINISTRY OF TEXTILES (SHRI GINGEE N. RAMACHANDRAN): (a) to (d) The Study by Roland Berger has been commissioned by the Confederation of Indian Industries and not by the Government. The report *inter alia* has estimated that an investment of Rs. 72,000 crores is expected till 2005 to gain a market share of 6% in garments.

The Government has been taking several steps from time to time to boost investments. Some of the important initiatives taken in this regard are as under:—

(i) The Technology Upgradation Fund Scheme has been made operational with effect from 1-4-1999 to facilitate the modernisation and Upgradation of this sector.

(ii) The Export Entitlement (Quota) Policies have manufacturer Exporter Entitlement and New Investors' Entitlement systems to encourage new investment in the textile sector and greater weightage in the investment in weaving and processing, besides making them TUF consistent.

(iii) The facility to import capital goods unde Export Promotion Capital Goods (EPCG) Scheme at 5% concessional rate of duty.

(iv) Allowing foreign equity participation upto 100%, through automatic route, in the textile sector with certain exceptions.

(v) Government has recently launched Technology Mission for Cotton. One of the important ingredients of the Mission is to improve cotton processing facilities by upgrading/modernising the exsisting ginning and pressing factories.

WTO Obligations on Textile Industry

2904. SHRI K. KALAVENKATA RAO : Will the Minister of TEXTILES be pleased to State :

(a) what are the impacts of WTO obligations on textile industry ;

(b) the measures taken to assist the textile industry in this regard; and

(c) the marketing facilities provided to them ?

THE MINISTER OF STATE IN THE MINISTRY OF TEXTILES (SHRI GINGEE N. RAMACHADRAN) : (a) and (b) The obligation on the part of all members of WTO, including India, is progressive reduction of import tariffs to agreed levels and phase out of quantitative restraints. Thereafter, international trade in textiles and clothing would be conducted on a completely non-discriminatory basis, as the case in respect of other goods. In order to assist the textile industry to successfully face competition of the quota-free regime, Government has been taking measures from time to time. Some of the initiatives taken in this regard are :—

(i) The Tehnology Upgradation Fund Scheme (TUF) has been made operational from 1-4-1999 to facilitate the modernisation and upgradation of this sector so that it can become more competitive in international trade.

(ii) The facility to import capital goods under Export Promotion Capital Goods (EPCG) Scheme at 5% concessional rate of duty.

(iii) Liberalisation of exports of cotton yarn by Export Oriented Unit (EOU)/Export Promotion Zone (EPZ)/EPCG units.

(iv) Zero Duty import of certain categories of trimmings & embellishments.

(v) Government has recently launched Technology Mission for Cotton. One of the important ingredients of the Mission is to improve cotton processing facilities by upgrading/modernising the existing ginning and pressing factories.